

Section 20.2 Life Insurance

(a) The City shall provide, at its expense, a term life insurance group policy for employees in classifications set forth in Appendix "A" hereof in an amount equal to the employee's annual base salary as stated in "Appendix A" of this MOU. Income tax consequences, in conformance with IRS regulations, will be the responsibility of the employee. All employees earning under \$25,000, will have a life insurance benefit of \$25,000.

(b) Said employees shall be entitled to purchase, at their own expense, additional term life insurance to the extent permitted by the policy carrier under such terms and conditions as are customarily imposed by such carrier in its normal course of business.

(c) Subject to agreement with the mid-management and management bargaining units, the City agrees to provide Level IV 1959 Survivor's Benefits to members of this bargaining unit. This benefit has a monthly employee cost (currently \$2.00), determined by PERS, and a rate based on actuarial valuation to the City on a monthly basis.

Section 20.3 Retirement

The retirement system in effect between the City of San Bruno and the Public Employee's Retirement System (PERS) on behalf of eligible full-time and permanent part-time employees of this unit shall be 2% at 55 for all eligible employees. Final compensation for purposes of calculating retirement benefits shall be based upon the highest average annual compensation earned by the employee the last consecutive year of employment preceding the date of retirement.

If during the term of this agreement, new PERS retirement benefits should become available for this bargaining unit, and if other bargaining units affected by those benefits have the option to reopen negotiations on the issue of retirement benefits, this bargaining unit shall have the right to ask the City to reopen negotiations on the issue of retirement benefits. It is understood that such re-opener may allow the City to modify other economic benefits contained in this agreement to provide improved retirement benefits.

In lieu of Sick Leave Payout Upon Termination provisions previously provided in Section 19.1 (b) (14) of this MOU the City agrees, to the extent permitted by PERS and at such time as permitted by PERS, to amend our contract for inclusion of a Credit for Unused Sick Leave retirement option as outlined in Government Code section 20862.8). Until such is implemented the previously existing conditions of Section 19.1 shall be operable. The cost of the PERS sick leave buyout option shall be paid by the City.

Section 20.4 Deferred Compensation

(a) If employees in other bargaining units are offered deferred compensation plans other than that which the employees in this bargaining unit have previously been offered, the employees in this bargaining unit shall also be allowed to participate in any such additional plans.